

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

| | | | |
|--|--------------------------|---|-------------------|
| IN RE: | September 7, 2004 |) | |
| | |) | |
| STAFF INVESTIGATION OF GO SOLO | |) | DOCKET NO. |
| TECHNOLOGIES, INC FOR VIOLATION OF TENN. | |) | 04-00227 |
| CODE ANN. § 65-4-201 AND TENN. COMP. R. & | |) | |
| REGS. 1220-4-2-.57(2) | |) | |

ORDER APPROVING SETTLEMENT AGREEMENT

This matter came before Director Deborah Taylor Tate, Director Sara Kyle, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on August 9, 2004 for consideration of a proposed Settlement Agreement, attached hereto as Exhibit A, between the Consumer Services Division of the TRA (the "CSD" or "Staff") and Go Solo Technologies, Inc. ("Go Solo" or the "Company") related to violations of Tenn. Code Ann. §§ 65-4-201 and Tenn. Comp. R. & Regs. 1220-4-2-.57(2).

Tenn. Code Ann § 65-4-201 and Tenn. Comp. R. & Regs. 1220-4-2-.57(2) prohibit the offering of telecommunications services in the state of Tennessee without the requisite certificate of public convenience and necessity ("CCN"). The CSD discovered that Go Solo had been operating in Tennessee without a CCN. On March 29, 2004, Staff spoke to counsel for Go Solo. Upon learning of its failure to comply with these requirements, Go Solo undertook the necessary steps to bring the Company into compliance with all applicable laws and regulations. Go Solo also agreed to pay a penalty to the TRA in the amount of \$5,000 in remediation of its past

statutory and regulatory violations. The CSD represented that this penalty advances a fair and reasonable resolution of the staff investigation.

The August 9, 2004 Authority Conference

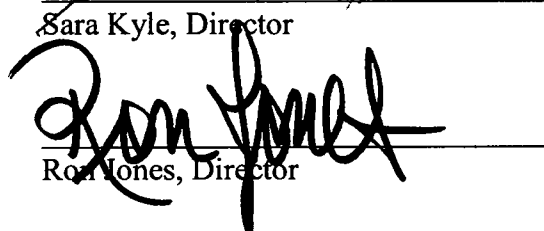
At the August 9, 2004 Authority Conference, Mr. Benjamin Stolz of Go Solo participated telephonically on behalf of the Company and affirmed its consent to the terms of the Settlement Agreement. Dr. Eddie Roberson, Chief of the CSD summarized the Agreement. The Directors voted unanimously to approve the Settlement Agreement.

IT IS THEREFORE ORDERED THAT:

1. The Settlement Agreement, attached hereto as Exhibit A, is accepted and approved and is incorporated into this Order as if fully rewritten herein.
2. Go Solo shall pay to the TRA the sum of \$5,000 in remediation of all violations included in this Settlement Agreement. Such payment shall be remitted to the Office of the Chairman of the TRA no later than thirty days following approval of the Settlement Agreement by the TRA Directors.
3. Upon payment of the amount of \$5,000 Go Solo is excused from further proceedings in this matter. However, in the event of any failure on the part of Go Solo to comply with the terms and conditions of the Settlement Agreement, the TRA reserves the right to re-open this Docket.


Deborah Taylor Tate, Director


Sara Kyle, Director


Ron Jones, Director

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

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T.R.A. DIVISION OF RE

IN RE:

ALLEGED VIOLATION OF TENN. CODE ANN. § 65-4-201
AND TENN. COMP. R. & REGS. 1220-4-2-.57(2) BY GO SOLO
TECHNOLOGIES, INC.

DOCKET NO.
04-00227

SETTLEMENT AGREEMENT

This Settlement Agreement, which has been voluntarily entered into between the Consumer Services Division ("CSD") of the Tennessee Regulatory Authority ("TRA" or "Authority") and Go Solo Technologies, Inc. ("Go Solo" or the "Company"), resolves all issues and causes of action by the TRA presented by Go Solo's noncompliance with Tenn. Code Ann § 65-4-201 and Tenn. Comp. R. & Regs. 1220-4-2-.57(2) (operating without a certificate of public convenience and necessity or "CCN") through the date of the execution of this Settlement Agreement. This Settlement Agreement is subject to the approval of the Directors of the TRA.

The CSD received a notice from the TRA's Fiscal Officer advising that the TRA had received a UD16 Statement of Gross Earnings and Computation of Inspection Fee from Go Solo with a check in payment of the inspection fee. The UD16 Statement indicates Tennessee revenues. Upon investigation of the TRA records, it appears that Go Solo may have been operating in Tennessee without a CCN in violation of Tenn. Code Ann. § 65-4-201 and TRA Rule 1220-4-2- 57(2). Thereafter, Staff promptly contacted Go Solo to request proof to the TRA that the Company has authority to operate in Tennessee.

On March 29, 2004, CSD Staff spoke to Mr. Ben Stolz, General Counsel for Go Solo, regarding the status of the Company's CCN. From the information provided, CSD Staff learned that

EXHIBIT

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Go Solo had hired an outside Regulatory Firm to submit an application to the TRA, but as of March 29, 2004 the application had not been submitted to the TRA. Based upon the belief that it had obtained certification, Go Solo had in good faith attempted to pay the required inspection fee mentioned above. Go Solo was instructed by Staff to initiate immediate action to submit an application for a CCN. On April 23, 2004, the TRA received an Irrevocable Line of Credit for Go Solo. On May 17, 2004 the TRA Telecommunication Division received a completed Application for the Company's CCN.

Tenn. Code Ann. § 65-4-120 permits the TRA to impose a penalty or fine in the amount of fifty dollars (\$50) per day upon any public utility in violation of any rule or requirement of the TRA. During a telephone call with Mr. Stolz on July 22, 2004, Go Solo acknowledged that it had provided unauthorized telecommunications services in the state of Tennessee since January 1, 2003 and was eager to come into full compliance. Go Solo admitted it presently is servicing 266 customers in Tennessee. The TRA has received no complaints against Go Solo.

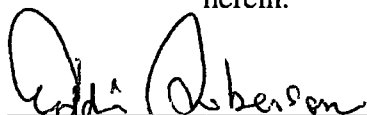
In negotiating this Settlement Agreement, CSD Staff relied upon the factors provided in Tenn. Code Ann. § 65-4-116(b), including the Company's size, financial status, good faith, the gravity of the violations and the fact that no complaints have been received against the company.

In an effort to resolve all alleged violations noted in this Settlement Agreement, the CSD and Go Solo agree to settle this matter based upon the following acknowledgements and terms, subject to approval by the Directors of the TRA:

1. Go Solo agrees to pay to the TRA the sum of \$5,000 (the "Settlement Payment"). Go Solo will make a one-time payment of \$5,000 to the Office of the Chairman of the TRA within 30 days following the date the panel of Directors assigned to this Docket approves this Settlement Agreement.
2. Upon TRA approval of Go Solo petition for a CCN in TRA Docket No. 04-00227, Go Solo agrees, henceforth, to remain in compliance with all the statutory and regulatory requirements of the TRA.
3. In the event that Go Solo merges or consolidates with or transfers its assets to another firm, corporation or entity, Go Solo or its successor shall remain responsible for fully

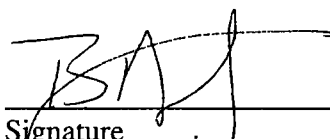
complying with the terms and conditions of the Settlement Agreement. Go Solo shall so notify the CSD no later than ten (10) days prior to the completion of such transaction.

4. Go Solo agrees that a company representative will attend the Authority Conference during which the Directors consider this Settlement Agreement. Such attendance may be by telephone.
5. Compliance with all terms and conditions of this Settlement Agreement by Go Solo shall be deemed a full settlement, release, accord and satisfaction of all liability for the aforementioned violations and Go Solo shall be excused from further proceedings in this matter.
6. In the event that Go Solo fails to comply with the terms and conditions of this Settlement Agreement, the TRA reserves the right to re-open this Docket. Go Solo shall pay any and all costs incurred by the TRA to enforce the Settlement Agreement.
7. This Settlement Agreement represents the entire agreement between the parties, and there are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Settlement Agreement which are not fully expressed herein or attached hereto.
8. If any clause, provision or section of this Settlement Agreement shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Settlement Agreement and this Settlement Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.



Eddie Roberson
Chief, Consumer Services Division
Tennessee Regulatory Authority

7/28/04
Date



Signature

Benjamin A. Stolz
Print Name

Secretary
Print Title

7/27/04
Date